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# Executive Order 04-02

## State of Montana Office of the Governor

### Executive Order Continuing the Capital Finance Advisory Council

WHEREAS, the Montana State Legislature has authorized state agencies to incur debt by issuing notes, bonds, and certificates to the public to support a wide variety of activities in furtherance of various public purposes; and

WHEREAS, a coordinated approach to issuing obligations would enhance marketing of these obligations by the State of Montana; and

WHEREAS, it is necessary to present a coordinated strategy to finance Montana's capital investment to the rating agencies to enhance the credit ratings of obligations issued by the state; and

WHEREAS, it is desirable to communicate to investors, underwriters, and credit analysts the state's debt management policies and financial plans so that these market participants understand the state's management and control of debt issuance practices; and

WHEREAS, it is desirable to maintain a council whose purpose is to review, analyze, coordinate, and harmonize the borrowing patterns of the state.

NOW, THEREFORE, I, JUDY MARTZ, Governor of the State of Montana, by virtue of the authority vested in me in accordance with Section 2-15-122, MCA, do hereby continue the Capital Finance Advisory Council.

#### I. DEFINITIONS

As used in this Order, the following terms have the following meaning:

1. "Council" means the Capital Finance Advisory Council.
2. "Issuer" means any state agency that issues obligations authorized by state law.
3. "Agency" means any state agency under the authority of the Governor as enumerated in Title 2, chapter 15, MCA.
4. "Obligations" means notes, bonds, or certificates issued or to be issued by any state agency to finance one or more activity, program, or project, including obligations issued in anticipation of taxes, income, or revenues derived from any source or to redeem or refinance outstanding obligations.

#### II. COMPOSITION

The Governor shall appoint 13 members to the Council. The members shall serve at the pleasure of the Governor. The names and addresses of the members shall be submitted by separate letter to the Secretary

of State and the Department of Administration.

The Director of the Department of Administration shall chair the Council, and the Council is attached to the department for administrative purposes. Employees of the Department of Administration shall serve as staff to the Council as directed by the chairperson.

### III. DUTIES OF THE ADVISORY COUNCIL

1. The Council shall:

- a. provide continued oversight of state obligations and review the form of obligations to ensure consistency with authorizing legislation and state financial policies;
- b. prepare a state debt management plan and review, analyze and monitor the trends in state obligations to provide information to issuers to make informed decisions about financing methods and the structuring and timing of obligations;
- c. compile and continually update a statewide master debt issuance schedule from agency financing plans to facilitate coordination of debt issues;
- d. advise and make recommendations to the Governor as it deems appropriate; and
- e. notify members of the Board of Examiners of all meetings, invite Board participation, and keep the Board informed about Council activities.

2. The Council may not supersede the activities or authority of independent agencies, but shall serve as a coordinating council to provide a formal linkage of information among and between state obligation issuers, thereby serving as an effective mechanism to promote fiscal management.

### IV. DUTIES OF STATE AGENCIES

1. To assist the Council in preparing a master obligation schedule, each issuer shall submit, as requested, a financing plan identifying the amounts to be borrowed, keep approximate time of debt issuance, a description of the projects or programs to be financed, an explanation of the security structure supporting the proposed obligation, and an explanation of the purpose of the financing, along with the key features to the extent known.
2. All agencies shall cooperate with and provide such assistance as the Council may request.
3. The Department of Administration shall consult with the Council in employing and establishing the duties of a statewide financial advisor.

### V. COMPENSATION

Members will be compensated as provided in Section 2-15-122(5), MCA. Each board, authority, corporation, or agency is responsible for the expenses incurred by its representative on the Council. The Department of Administration is responsible for the expenses incurred by legislative representatives.

### VI. DURATION

The Council shall exist for a period of two years from the effective date of this Order unless otherwise ordered by subsequent Executive Order. This Order is effective immediately.

GIVEN under my hand and the GREAT  
SEAL of the State of Montana,

this \_\_\_\_ day of July, 2002.

JUDY MARTZ, Governor

ATTEST:

BOB BROWN, Secretary of State



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